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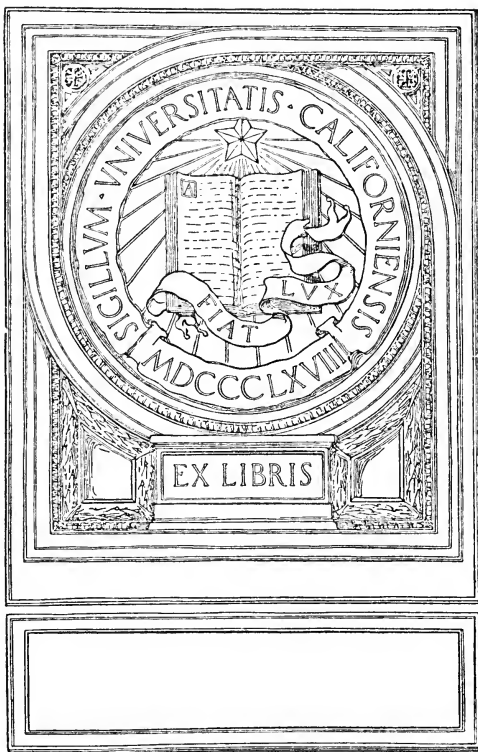
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E. J. Lyall. C. S.

THE
" REFORM
"

OF THE

LEAVE AND PAY CODES.

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CALIFORNIA

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TO WHAT
AMERICA?

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THE REFORM OF THE LEAVE & PAY CODES.

CHAPTER I.

IN re-imposing the Income Tax the Government of India has now to confront an administrative problem of the greatest difficulty. It has found it necessary (and nearly every official admits the necessity) to demand a tax of nearly 3 per cent. from its employés at a time when they are already losing 20 per cent. of their salaries by the loss in exchange. To these two losses must be added the decline in salaries, which in the Covenanted Civil Service amounts to about 15 per cent. in the last twenty years; while in the Telegraph, Forest, Police, Public Works, and other Departments, it is believed to be fully as much. These three deductions added together make a total loss of about 38 per cent. on salaries, and we may safely say that an Indian official receives for his own use at least 35 per cent. less than he used to do twenty years ago. It is the fashion now to talk of the loss by exchange as 25 per cent. of salaries. This is, of course, an exaggeration, which could only be true if an Anglo-Indian spent the whole of his salary in Europe or on European articles. What is true is that he loses 25 per cent. on such portions of his salary as he remits to England or spends on articles of western origin. To the man, however, with a large family at home, who remits them three-fourths of his pay, and spends nearly all the remaining fourth on absolutely necessary articles, such as clothes, conveyances, and the like, this portion may amount to seven-eighths of his whole salary, for the only thing on which he does not lose is his own food. To the average man who remits, say, one-half of his salary to England, and spends the other half freely in India, the loss by exchange will not be more than 15 to 18 per cent. Still be as accurate as

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we may in our estimate, it is impossible to put the *average* loss by exchange at less than 17 per cent., and this, with 3 per cent. Income Tax and 15 per cent. reduction in salaries, makes a total loss of 35 per cent., which the Indian official undoubtedly suffers, and which the Government *must* allow for, and *must* take cognizance of. If it does not, one of two things will most assuredly happen—either the standard of education, ability, and efficiency in the various services will decrease in proportion as the salaries decrease, or the officials, in at any rate the lower grades, will make up the deficiency in some of the many ways open to Europeans in an Oriental country. The Government must confront the problem; it is no use avoiding it, and hoping that all will go on as before; that men will be as honest, as laborious, as intelligent on small salaries as on larger ones. We know that they will not; and that the honest, laborious, and intelligent will carry their wares (which have a very distinct market value) to other markets, where they can dispose of them at better prices. What we shall have left, to perform the most difficult task which any nation ever undertook, will be the idle, the stupid, the dissatisfied, and possibly the dishonest, and Heaven help us and India after twenty years of such a *régime*. We should probably have very little of India left to govern by that time; but while there is any left, it is clearly the duty of the Indian Government and the English people to take all reasonable precautions to secure the integrity and efficiency of the classes through whom it governs and administers India. The question then arises—What can the Government do for its employésto compensate them for the very serious loss they are suffering?

It is at once apparent that a Government which is itself losing three or four millions sterling a year by exchange, cannot undertake to make good to its employé the *whole* of their loss under this head: the utmost that can be asked is, that the Government should allow a

certain portion of each European's salary to be remitted to England at a more favourable rate. What portion that should be, and at what rate it could be remitted, is a question for experts ; but if the Government could see its way to allowing the remittance of one-fourth of salaries at 1s. 9d. the rupee, there is no doubt that it would be felt by most officials as a very sensible alleviation of their burdens. What this would cost, it is impossible to say without elaborate calculations ; but the benefit should be strictly confined to Europeans who have been sent out to India by the Secretary of State, and who have, therefore, the right to measure their salaries by a European standard, and to expect to be able to avail themselves of European advantages for their children and for themselves. An officer who comes out to India in search of employment and who *here* accepts service, is on a totally different footing : he has taken local service and is locally appointed, and he cannot in the same way claim the advantages of Europe. If the grant were limited in the way we suggest, we do not think that it would amount to any very considerable sum ; and if it were granted, the Government would have the satisfaction of knowing that it had levied an Income Tax from those who could well afford it, and from those who were actually gaining by the decline in the price of silver, while it afforded a material compensation to those of its employes who were losing most heavily by that decline, and the circumstances of whose engagements with the Government pointed them out as the fittest recipients of such compensation. But, after all, the extent over which such an allowance could be spread, and the amount of it, must be very problematical. There would be great opposition to it from the so-called friends of India, and possibly, too, from those classes of officials who would not profit by it ; and again, whatever sum was spent on this relief, must be deducted from the profits of the Income Tax. There are, therefore, serious objections to it, which the Government

would have to consider and to overcome before it could sanction the concession. What we want to discover on the other hand, are concessions which would cost the Government nothing, which would injure no one, which would raise the envy of no excluded class, which are only prevented by routine and inertia, and which would yet be substantial concessions to the very classes which are suffering most at present.

Such concessions we believe we can point out. We will merely *name* them in the present article, and will reserve the discussion of them in detail till a future occasion. They all relate more or less to the terms on which officials are now allowed to take leave, or to act for one another, or to earn the pensions obtained by long service. The present Leave and Acting Allowance Codes are elaborate, over-refined, unduly minute, and most intricate compilations, which are so complicated that not one official in ten outside the Account Offices even pretends to understand them, while the Account Officers themselves pretend to understand them and do not. Of this there is abundant proof in their conflicting decisions, for which, however, there is small blame to them, as anyone may satisfy himself who cares to investigate the rules for acting allowances in graded appointments, or any other sweet simplicities of that sort.

What we advocate is the sweeping away of all the cobwebs which have gradually grown up around the Leave and Allowance Codes, and the reduction of them to a few simple rules, which, while protecting the interests of Government, should allow as much freedom of action as possible to the individual. It should always be remembered that the individual employé has *prima facie* the right to do anything he wishes with regard to his leave, so long as he does not injure the interests of Government, *i.e.*, of the tax-payer. All rules which are prescribed for these purposes are merely intended to safeguard the interests of the public against its employés

and to prevent abuses ; and as long as these ends are secured, it is enough. All further restrictions are harmful and unjust to the employé and useless to the Government.

The great principle to lay down with regard to *leave* is, that the Government should prescribe *the total amount of leave* of each kind to be enjoyed by its servants, and, *that* being fixed, it should allow them to take the leave in any instalments and in any combinations they please, due care being taken that an employé should not *anticipate* his leave, *i. e.*, take more than he is entitled to on account of the period for which he has served. For, if this were allowed, a man might come out to India and serve a year and then take two years' leave, and resign at the end of it, which would be obviously unfair to the State, and should not be allowed even on medical certificate, as it now is. But with this *one* precaution against anticipating leave, we would sweep away all restrictions whatever, and let officials of every grade take their leave how and when they pleased, and as might be most convenient for them. The less restriction there is on the part of Government the less frequently will men take leave ; for they now take it in instalments, and take one kind after another at short intervals, simply because they are not allowed to combine the different kinds of leave and take one in continuation of the other. Yet it is obviously for the advantage of Government that their employés should take a few long periods of leave at long intervals rather than many short periods at short intervals ; for each taking of leave involves a dislocation and break of continuity in the administration, and causes charges for joining time and subsidiary leave, which are merely so much useless expenditure to the Government. Our general principle being thus stated, we shall proceed in the next chapter to examine in detail the results and advantages of granting leave without *any* restrictions further than those mentioned above as to *total amount* and *anticipation*.

CHAPTER II.

IN Chapter I we showed why the Income Tax will fall with special severity on officials at the present time, and gave reasons why Government should make certain inexpensive concessions to their employés, and we indicated in outline the form which we considered that these concessions might well take. We now proceed to consider in detail what these concessions might be, and what would be the effect of granting them.

(I).—*Leave.* We shall take the Covenanted Civil Service as an example, both because it is the best paid and most numerous service, and because the rules relating to it are more fixed and better known than any others, and we shall deal, in the first place, with the rules affecting *leave* of all kinds. At present the total leave which a Civilian can take *with pay* is six years' furlough, six months' special leave, and as many months' privilege leave as he has completed years of active service; but he can only take this leave with many limitations. First, he may not take any one of these kinds of leave in continuation of another kind; (2) he may not accumulate more than three months' privilege leave; (3) he may not take furlough till three months after he has returned from privilege leave; (4) he may not take more than two years' furlough at a time; (5) he must render eight years' active service before taking any furlough (except on medical certificate); and (6) he may not take furlough again for three years after his return from last furlough. Now, it may be said at once that all these restrictions should be swept away, and one general rule substituted, that a Civilian may take the above leave at *any* time of his service, and in *any* manner he likes (including combinations of different kinds of leave), provided that he does not take more than one years' leave for every four years' active service he has completed. All leave beyond or in anticipation of this would be taken on subsistence

allowance or without pay, as the Government might decide. This would guard the interests of Government more effectually than the present rules; for it would prevent men coming out to India for two or three years, and then going home on long-continued sick leave, which only ends in resignation. Such men may be much to be pitied; but it is not equitable to the State that they should render only two years' service and then enjoy two years' leave on half-pay. If they have been able to complete only two years' service before taking sick leave, they should be entitled to only six months' leave on half-pay, and the rest on subsistence allowance. But such cases are extremely rare, and what we have to consider is, the effect on the average Civilian of such a simple and equitable rule as that proposed. Can anyone doubt that it would be an enormous boon to him? At present he is hampered on all sides; and instead of leaving him to take his leave how and when he pleases, the Government keeps him in leading strings, and tells him he may do this and may not do that, just as if he were a child. Let us consider each of the restrictions separately, and it will be seen how unnecessary they are, and how vexatious they may often become.

(1). *No one kind of leave may be taken in continuation of another kind.* By this rule it is impossible to add on three months' privilege leave to three months or four months' furlough, and so go home for a hot weather partly on full pay. Many a man could do this, who could not afford to go home for seven months on half-pay, and what harm would it bring the Government (*i.e.*, the tax-payer?) What happens at present is, that the official takes three months' privilege leave, whenever he has accumulated it, and then takes furlough the next year. This is constantly happening and cannot be prevented; yet it is distinctly much more disadvantageous to Government than if the man took leave once combining the two leaves. For at present there are two breaks in the continuity of the appointment—one

when he takes privilege leave, and another when he takes furlough ; and two periods of joining time allowed to the officer who acts for him, both in coming to join the appointment and in returning to his own appointment.

So, too, if a man have six months' furlough and six months' private affairs to his credit, why should he not be allowed to take the whole period continuously ? At present he is forced to return from the one kind of leave for six months before he can take the other kind of leave and in this way two periods of subsidiary leave are unnecessarily granted to the officer taking leave, and two periods of joining time are given to the officer acting for him, whereas one of each would be all that would be required, if the whole leave could be taken continuously.

It follows that the distinction between special leave and furlough should be done away with altogether as unnecessarily complicating. It is merely a survival of the time when no one would go to England for so short a period as six months, unless he had some very urgent reason for it; but now-a-days when no one thinks anything of going to England on even three months' leave, it is absurd and useless to keep up a distinction without a difference between two kinds of leave which are really one and the same. At present the total period of leave (with pay) is six years' furlough and six months' special leave. It would be a graceful and considerate act of the Government if, taking into account the unavoidable misfortunes of its servants, it were to change these *two* periods into *one* period of seven years' furlough, and abolish the distinction between the two kinds of leave. As the actual residence required of a Civilian is 21 years, this would leave the proportion exactly one year of furlough to each three years of actual residence in the country. The increased cost would hardly be appreciable, as many Civilians would not take the extra six months in any case. There would then only be two kinds of leave :—

(1). Privilege leave, on full pay, amounting to one month for every 11 months of residence completed; and (2) Furlough, on half-pay, amounting to one year for every three years of residence completed. These should be permitted to be taken in any combination that might be desired, provided that the rules of *total* quantity and anticipation were not broken. Another boon which might be easily granted is, that privilege leave should not be forfeited by taking furlough, but should be accumulated and worked off in a separate account. At present it is extremely hard, and even unjust, that if a man falls sick and has to take more than three months' leave when he has earned three months' privilege leave, he forfeits the whole of the latter leave, although it was fairly earned by actual residence, and though the sickness may have been due to hard work, or exposure in the Government service. An account of the privilege leave each officer has earned should be kept, and the amount earned should remain at his credit in all cases, until he has received it and used it up.

Coming now to the second restriction—(2). *Privilege leave shall not be accumulated for more than three months.* Why not? In what way does the accumulation injure Government? On the contrary, it is much better for Government that an officer should remain at his post for four or five years, and should then take four or five months' privilege leave, than that he should take one month's leave in each year. The latter system, as pointed out above, leads to unnecessary expense to Government and unnecessary breaks in the continuity of office. The old theory used to be that the officer must be *forced* to take leave at least once in three years to maintain his health and efficiency; but there is no need of any forcing now-a-days; every man will take leave *if he can afford it*; it is all a question of expense, and it is less expensive to the individual and less injurious to the administration that leave should be taken in a few large instalments, rather than in many small ones. In bye-gone days, when

ties with England were few and with India many, when travelling was difficult and even dangerous, and when the Indian official not infrequently settled down for life in India with small thought of his native country or his abandoned friends, it may have been necessary to *force* him to take leave at stated intervals. But now, when a 14-day voyage lands him in Europe, when most men run home every second or third year, and when every man's thoughts and interests are centred in England, there is no occasion whatever to force or tempt him to take leave. Give him the *opportunity* to take it when and how he pleases, and the money to do it with, and he will take every day's leave you allow him. We therefore say allow privilege leave to accumulate without limit. If a man has done eight years' actual service for the Government in India without a day's leave, he has earned eight months' leave on full pay, *if any man ever could*, and by all means let him have it, if he has not forfeited it by any misconduct or indolence.

The third restriction would be swept away incidentally if the above proposals were carried into effect. It is that (3) *no one shall be entitled to take furlough within three months after his return from privilege leave.*

The theory of this rule is supposed to be that privilege leave is not a *reward* for past services, but a *vacation* to enable a man to render future services; and that an officer must therefore perform at least three months' service after his return from privilege leave before he can be allowed to take any other kind of leave, even if he has got plenty to his credit. But the theory will not hold water. Privilege leave is given *after* a certain period of actual residence and service, and not *before* it; and do what you will, all officers will regard it (and rightly too) as the reward of that service, and as fairly earned by *past* service, whether the individual is able to render any further service or not.

The present restriction is only an extension of the general principle regarding the not taking one kind of

leave in extension of another kind, and both should equally be abolished. It leads constantly to the return of a man to his post for the bare three months required, and to his taking furlough directly this period is completed. This practice is bad, both for the Government and the individual as we have shown above. It is needlessly expensive to both, and neither the officer nor his *locum tenens* work up to full pressure during short periods of office like three months. All important matters are held over, all big pieces of work are shirked during such short incumbencies, and it should be the aim of Government to so shape the rules that men should not be tempted to take short periods of leave, but should have every inducement to continue at work as long as they are able, and then to take leave for not less than six or eight months. The constant changes in the tenure of office in India are one of the greatest hindrances to good administration and one of the greatest difficulties in our government of this country ; and in a tropical climate the *necessary* changes caused by ill-health alone will always be too frequent. Changes other than these should clearly be minimised by Government and not encouraged, as they are, by the present leave rules.

CHAPTER III.

IN the two previous chapters an endeavour has been made to show that an acceptable and inexpensive set-off to the Income Tax, which bears so hardly upon the official world, might be found in a radical reform of the leave rules. In the last chapter we considered in detail, and showed the propriety of abolishing three out of the six restrictions which at present prevent an official from taking leave how and when he likes—the non-combination of different kinds of leave, the non-accumulation of privilege leave, and the rule which prohibits furlough within three months of privilege leave. We propose now to examine the remaining three restrictions on leave, and then to pass on to the subject of acting allowances.

(4). The fourth restriction is, that a Civilian *may not take more than two years' furlough at a time*. The object of the rule is supposed to be to prevent an official from taking so long a furlough that he might get rusty in his work, and have difficulty in keeping up with all that had gone on while he was away. But we very much doubt whether any further ill-effect would be produced by three years' furlough than by two years. Of course, from the simple desk-work point of view, a man gets rusty and behindhand while he is away on furlough; it cannot be helped; it is one of the penalties we pay for governing the country through European agency, but it is after all better for the State that the official should take one long furlough of three or four years, and get rusty only once, than that he should take one year's furlough four times over, and waste three months each time in getting fully into harness again. Of the two things, we should be more disposed to fix a minimum for furlough than a maximum, and to say that no man should go on leave for less than six months unless ordered by the doctors; but the truth is, that *all* restrictions are bad, and that the expense of furlough, the *ennui* of it after a certain time, and the desire to get

back to work and be ready for any chances of promotion that may come in the way, will always prevent men from taking too long a furlough; while the expense of the voyage and of breaking up house will prevent their taking short furloughs too often. If a man has earned four years' furlough by sixteen years' continuous residence, we see no reason why he should not be allowed to take it; but it will not happen once in a decade that a man *does* want to take four years' furlough; still the restriction should be removed, as it is unnecessary and might be very prejudicial in a few cases.

(5). The fifth restriction is, that a Civilian *cannot take any furlough (without medical certificate) until he has completed eight years' active service (i.e., actual residence)*. This is a most unnecessary restriction; all that is required is to guard against the official's taking more furlough than he has actually earned; but there is no reason whatever why a man should not take one year's furlough after four years' residence, or eighteen months' furlough after six years' residence, if it suits him to do so. Indeed, now-a-days nearly everyone does go home before he has completed eight years' service by getting a medical certificate, or by pleading urgent private affairs; and it is much better that the healthy (and presumably best workers), and those who are too proud to invent urgent private affairs, when they have not got them, should be able to go when they please, as freely as the sickly or the less conscientious members of the service.

(6). The sixth and last restriction is, that a Civilian *may not take furlough again for three years after his return from last furlough*. We altogether fail to see that this restriction is any more necessary than its predecessors. It is no doubt desirable, as we have said above, that an officer should not take a succession of short leaves at frequent intervals; but there is no reason why he should be made to wait three years for his next furlough if he has earned it before that time. Suppose an officer has completed twelve years' actual residence,

which entitles him to three years' furlough. He goes home on two years' furlough, leaving him with one year to his credit ; and a year after his return, when he has earned another four months' furlough, he wishes for sixteen months' furlough for urgent family reasons. On what ground should it be refused to him and in what way is Government injured by his being permitted to take it? One great advantage of the abolition of these needless restrictions would be that it would remove the necessity of getting medical certificates, and the temptation to get them when not really requisite for health. At present the restrictions hamper and punish the conscientious man, who won't ask for a medical certificate unless he is very ill, or the unlucky man who has a particularly stern Civil Surgeon at his station ; while the less particular man, or the lucky man with an easy-going Civil Surgeon, drives a coach-and-four through the rules, and goes home when he likes on a medical certificate which is granted as a matter of course. The above are the six restrictions which most commonly interfere with what we regard as the *inalienable* right of the Indian official to take his leave how and when he likes, so long as he does not anticipate it (*i.e.*, take it before he has earned it), and does not exceed the total allowed him ; and we sincerely hope that the Government will see their way to sweeping away all these restrictions, and leaving men to do what they wish. Rules like laws are *primâ facie* evils, and they must always justify their existence. In this case we think it has been shown that they have failed to do so, and their abolition, while in no way injuring the Government or the tax-payer, would be a real boon to the official. And although our illustrations have been drawn from the Civil Service, all that has been said applies equally to all those who enjoy the more favourable leave rules under Chapter V of the Leave Code, *i.e.*, Military Officers in civil employ, and Uncovenanted Officers of the higher ranks (in Schedules *A* and *B*), besides Civil Servants ; and it applies, *mutatis mutandis*, according

to the different rules under which they serve, to *all* officials in India, down to the clerk on Rs. 20 a month. We are therefore writing in the cause of a very large body of men, amounting to many thousands, and not for a favoured few who desire special privileges ; and we believe that it will be apparent to the Government that to render more contented so large a body of men, and to get more willing and heartier service out of them, is no mean object, and is one for which it is well worth the trouble to ponder over the matter a little, and see whether these suggestions cannot really be carried into effect with very little difficulty and with no cost or injury to the State.

(II).—*Acting Allowances.* We now pass on to the *Acting Allowance Rules* which, though not so complicated as the Leave Rules, yet contain one or two provisions which are even more restrictive than any of those contained in the latter rules. No rule in any of the Codes has caused so much irritation and so much feeling of injustice as the recently-enacted provision that an officer shall not draw acting allowance during the *first* month of the permanent officer's absence on privilege leave. The rule is based on a false conception of the *reasons* for which acting allowances are given. They are really given to pay or recompense the officer for the harder and more responsible work he has to do when acting in a higher appointment ; and as he has to do exactly the same kind and amount of work, when he is acting for an officer on privilege leave, as he has when he is acting for an officer on furlough, he ought to receive exactly the same remuneration in either case ; and the description of leave enjoyed by the *absent* officer is a matter quite beside the question of the allowances to be paid to the *acting* officer. The framers of the present rule evidently held that because the officer on privilege leave draws full pay while absent, there is no margin or saving to spare for acting allowance for the acting officer, and he therefore cannot receive any. But the position is illogical, and

the Government, if it is bent on economy, should recoup itself in some other way. The acting officer has imposed on him a greater quantity of work, and a more responsible and difficult kind of work, than he had in his own appointment, and the barest justice requires that he should be paid extra for doing this extra work. It is, of course, well known in India that this rule was strongly opposed by the Government of India, and that it is to the Secretary of State's Council that the Indian official world owes this boon. The economy effected by it is but petty, for whenever an officer is moved from one station to another he draws three-fourths of the acting allowance during the first month of privilege leave, so it is only in cases where an officer acts in a higher grade *without being moved* that he receives no remuneration whatever. It is just in these cases, however, that the restriction is so irritating, for the officer feels that he is doing much more work than before for Government and is getting nothing in return for it. This inequitable rule is of quite recent date; and the Government of India could not do a more popular thing, or offer a more acceptable recompense for the Income Tax and the fall in exchange, than to insist on its abolition, and to tell the Secretary of State (what is the fact) that it causes a great deal more discontent than the small economy is worth. This would, however, be only a drop in the ocean. What we would advocate with regard to acting allowances is a very radical measure, and one that at first sight would seem to be anything but satisfactory for the officials concerned; it is the *total abolition* of these allowances. By this we mean, not that an officer should receive *no extra* pay for acting in a higher appointment, but that he should receive the *same pay*, whether he acted in it or was the permanent holder of it. This could, of course, only be managed by taking *averages* of the pay, both acting and permanent, and giving the holder of the appointment that amount of salary which was found to be the average one for both permanent and

acting holders of the appointment. Of the justice of this measure there can be no doubt, for the acting officer does exactly the same kind and amount of work as the permanent officer; and that it would cause a large saving to Government in audit clerks and unnecessary correspondence is also certain. But consideration of any further details in this connection must be reserved for another chapter.

CHAPTER IV.

IN the last chapter the theory was broached that the best reform of the Acting Allowance Rules is the total abolition of acting allowances. But to make this position good it is necessary to go a little more into details. If separate acting allowances were abolished and all pay consolidated at one rate (whether the officer was acting or permanent), it is clear that the maximum rate for the consolidated pay must be the present permanent pay, and that the minimum rate would be the present officiating pay; while the new consolidated pay might be fixed at any point intermediate between these two. The object, of course, is to give the same total pay to a whole service or a whole department as it now obtains, so that Government should neither lose nor gain; while all the complications and intricacies of the present Acting Allowance Rules would be swept away, all the auditors and checking clerks now employed in enforcing them would be abolished, and every officer would know beforehand exactly what pay he would be entitled to draw in any appointment, whether he were posted to it permanently or temporarily. The only difficulty is to settle *at what point* between the maximum and minimum the consolidated pay should be fixed; and when the matter was under discussion some years ago, we believe that it was proposed to take three years average pay of each appointment, and fix the consolidated pay at the average so arrived at. This plan would, in practice, lead to considerable injustice, as the average would be greatly affected by the proportion of this three years which the permanent incumbent might have spent on leave. To prevent this the calculations for the average might be spread over a longer period, say five years, so as to allow for all variations; and the average value of each particular appointment being thus arrived at, *the average of the averages* of all the appointments of this class should be fixed as the consoli-

dated pay of the appointment, whether permanent or acting.

The plan will probably be best illustrated by an example. Take the case of a Magistrate and Collector, 1st grade, in these Provinces. His permanent pay is Rs. 2,250 a month. If the office is filled by a second grade Collector acting as first grade, he still gets Rs. 2,250, as his permanent salary is Rs. 1,833 and his acting allowance Rs. 417 ; but if it is filled by a Joint-Magistrate, first grade, acting as Collector, first grade, he gets only Rs. 1,000 pay *plus* Rs. 833 acting allowance, or Rs. 1,833 in all, while in other cases he might get Rs. 1,945 or Rs. 2,055. If, then, we take five years of any Collectorship, say Allahabad, and find that during those sixty months the office has been held for twenty-four months by an officer on Rs. 2,250, for sixteen months by one on Rs. 2,055, for twelve months by one on Rs. 1,945, and for eight months by one on Rs. 1,833, we know that the average pay of the Allahabad Collectorship for five years has been Rs. 2,081 a month. Applying the same process to all the first grade Collectorships in the N.-W. P., we might find that the average pay of all the twenty-two first grade Collectorships for the last five years has been Rs. 2,100, and we should then fix the future consolidated pay of a first grade Collector in the N.-W. Provinces at Rs. 2,100, whether he is permanent or acting. Government neither lose nor gain *on the pay*, as it is *ex hypothesi* exactly the average of what Government would have paid under the old rules; but Government gain enormously as regards the calculating and checking establishments of clerks in the Treasuries and Account Offices, where scores of hands are employed all day long, some of them in calculating these intricate allowances, and the others in picking holes in the work of the former. How intricate the calculations are in some cases, such as those of officers on progressive salaries, no one can realise who has not tried with equal weariness to ascertain what his own pay ought to be, or what somebody else's really was. But any

one who still feels any curiosity in the matter will probably find that curiosity speedily quenched by a perusal of Chapter IX of the present Acting Allowance Code. Government, therefore, gain by reducing establishments and simplifying all kinds of calculation with regard to salaries; while the individual officer gains very considerably by the certainty of knowing what pay he ought to draw at any moment, and even of what he will draw at any future moment; by the removal of the now too frequent disputes with the Treasuries and Account Offices; by the absence of fluctuations in his salary, and of the odious necessity of refunding salary overdrawn through the vicious system which makes it impossible to tell what that salary ought to be. There are several other restrictions in the Acting Allowance Rules which might with great advantage be removed; but it is useless to discuss them in detail while holding that the whole system should be abolished, and that the words "acting allowance" should no longer be found in the Pay Codes.

(III).—*Travelling Allowances.* We arrive now at the related subject of travelling allowances, which are as fertile a source of dispute and annoyance, of constant worry, and of occasional injustice, as acting allowances, and which might equally well be swept away and abolished from our Codes. In a complex and varied polity like that of the Government of India, it is inevitable that all sorts of excrescences should by degrees grow up around the parent stem; but it is as necessary to the official system as to the vegetable that these excrescences should be lopped off and destroyed when they become troublesome, unsightly, or dangerous to the body politic on which they feed and from which they derive their existence. If we consider how these allowances have grown up and come into being, we shall see how necessary and advantageous it is, both for the Government and for the official himself, that they should be from time to time revised, and, as it were, codified. Each rule was originally deduced from a single case—was, in fact, an instance of case-made law; it

was next applied to other similar cases, and became a precedent, and finally it was crystallized into a dogma, by which all future analogous cases were to be governed. In the early days of our Indian Empire, when travelling was tedious, expensive, and often dangerous, an officer was ordered, say, from Calcutta to Benares. During the long hours of his journey the thought naturally often occurred to him that he deserved some compensation for the separation from his companions in Calcutta, for the hardships he was suffering on the journey, and the dreary and solitary life he was about to lead at some remote station or outpost. If he was an ingenious man, and at the same time of a practical turn of mind, his meditations soon took a concrete shape; and he sent in (1) a travelling allowance bill for his journey, and (2) a claim for local allowance (like Kirwi or Kassia). Before long one of his companions in exile fell sick, and he was directed to perform the duties of his superior temporarily. It soon seemed to him hard that he should perform more responsible and difficult duties for the same salary as before, and he at once claimed (3) an acting allowance. Before long perhaps he defended his post with bravery against an attack of natives, and saved the property of the Company or of the Government, while others of their servants showed timidity or want of vigilance; he contrasted his own services and merits with theirs, and soon formulated a claim for (4) special allowances. Thus, in a very short time, our typical official of the old days had created the four chief kinds of extra allowances beyond salary; and though, no doubt, he and his *confrères* were often refused at first, yet by degrees it got to be recognized; first, that these claims were customary and not novel; secondly, that in some cases they must be granted; and ultimately, that it was the rule to grant them rather than to refuse them. In this way grew up all the extra allowances, which now confuse and complicate our Codes to the disgust and mortification of individuals who can never be sure of what they are entitled to, and who naturally

take a favourable view of their own claims; and to the serious loss and hindrance of Government, who never know quite what claims may be made upon them, and who are frequently compelled by pressure, public or private, to grant allowances which are not really deserved. From their very nature these allowances were somewhat undefined, unfixed in amount, often a matter of favour and interest, and always the subject of dispute and uncertainty. They possessed none of the qualities which belong to permanent salaries, such as fixity of tenure and duration, precise definition of amount and right, and facility of calculation and determination. They were always more or less make-shifts and temporary expedients for those increases of salary which were always postponed, but were always becoming more and more necessary with the increasing complexity of Government and the increasing demands on each individual officer.

When our present Financial Codes were first formed in 1872, though it is only 14 years ago, it was thought enough to codify and systematise the existing rules, and since then other rules have been added to the Codes as the occasion for enunciating them arose. But the time has now come, we think, not for systematising or even for correcting old rules, but for abolishing them altogether; and travelling allowances and all other extra and special allowances should, like acting allowances, be abolished *in toto* as *separate* allowances, being merged, wherever necessary, into the consolidated salary of the appointment. Travelling allowances could, like acting allowances, be calculated on the system of averages, and could be added on to the consolidated salary as a permanent addition. Thus in the case we used as an illustration above—the Collectorship of Allahabad—the consolidated pay of the appointment, both acting and permanent, was found by averages to be Rs. 2,100 a month. If it were found that over a period of five or ten years the average travelling allowance, including the cartage of tents paid to the Collector of Allahabad, was Rs. 150 a month, the

consolidated pay of the appointment (whether acting or permanent, and including all travelling allowances) would be fixed at Rs. 2,250 a month, and this sum would be invariably drawn each month, whether the holder was junior or senior, acting or permanent, and whether he travelled or not. The same process could be applied to local, personal, and other extra allowances ; and it would introduce an amount of certainty and comfort in the dealings between Government and its servants, for which it would be worth paying a large sum ; whereas in reality it will cost neither party anything, but will save Government large sums in clerical labour, and its servants much loss of time and temper. The main argument, it should be repeated, is, that all extra or special allowances are *excrescences* arising out of temporary bye-gone emergencies, and requiring to be abolished by consolidation in the permanent pay as soon as possible ; that the ordinary permanent pay which an official receives from Government should include *all* remuneration of every kind which he is entitled to receive, and that our Pay and Leave Codes should at once be revised with the object of abolishing unnecessary restrictions on the taking of leave and useless complications in the rules for extra allowances of all sorts. And enough, it may be hoped, has been said on the subject to demonstrate that the reform is one which deserves to occupy the early and close attention of the Finance Committee.

CHAPTER V.

(IV).—*Pensions.* Having dealt in previous chapters with the questions of the leave rules, acting allowances, and travelling allowances, we may now conclude with some remarks on the present rules for pensions or retiring allowances. These are so various in the different branches of the civil administration that it is necessary to treat each branch separately, and the present chapter must be confined to the pension rules for the Covenanted Civil Service. Now the present system of pensions in the Covenanted Service is an ingenious system for rewarding *demerit*; for the officer who has served the shortest time and occupied the least distinguished posts obtains the highest pension, while he who has risen to the highest positions and has rendered Government the longest and best service obtains the least pension. The system has been well described by a late Governor of Madras (Sir W. Denison), who says:—"In the colonies a man who has served Government faithfully is entitled.....to claim a pension, the ratio borne by which to the pay of the office from which he retires increases regularly with the length of his service.....In India, however, it would appear that the longer an officer serves the Government and the more important the duties which he is called upon to perform, the less claim is he considered to have to any acknowledgment of his services; he may indeed have paid the Government several thousand rupees beyond the value of the pension which he will receive. This state of things would seem to call at once for revision and amendment." These words were written in 1862, but revision and amendment would seem to be still as far off as ever.

The result so graphically depicted by Sir W. Denison is brought about in the following manner. The officer contributes four per cent. of his salary towards his

pension from the day that he reaches India to the day he resigns the service, and to the total of these contributions the Government adds enough (after compound interest and lapses to the fund have been allowed for) to bring up the total sum to £1,000 a year. It follows, therefore, that the larger the contributions of the individual the smaller is the proportion of the £1,000 which has to be provided by Government. The full pension is obtainable after 25 years' total service, of which 21 years *must* be actual residence in India and four years may be furlough. An officer who does not rise, say, above a district judgeship, and who retires at the end of 25 years, will have drawn about four lakhs of rupees as his total salary, and his contributions at four per cent. will amount to Rs. 16,000 without compound interest. A distinguished officer who rises to a post of Rs. 4,000 a month and remains 30 years in the service will have drawn about seven and half lakhs of rupees as total salary, and his contributions for pension at four per cent. will amount to Rs. 30,000 without interest. He will, therefore, be compelled to pay to Government Rs. 14,000 more (for the same pension) than his less distinguished *confrère*. The injustice and impolicy of this system are obvious the moment it is plainly stated; and it is only wonderful that such a system, which has no advantages and every defect, should have been allowed to exist so long. It has now to be seen whether a better cannot be suggested.

It was found by a Parliamentary inquiry in 1862, that in average cases the payment of the total annuity of £1,000 was divided among the different contributors in the following proportions, and there is no reason to believe that the proportion has been seriously disturbed in the last 20 years :—

Subscriber's own payments	...	£. 250
From Civil Fund lapses by death, &c.	...	139
Paid by Government	...	611
		<hr/>
Total	...	1,000
		<hr/>

These figures might well be taken as a guide for fixing the pensions of Civilians on a permanent basis, instead of leaving them to vary with the ups and chances of the service, under a scheme ingeniously contrived to reward mediocrity and punish merit. The average sum now paid by Government is the £611, which it pays directly, plus some of the £139 derived from lapses, favourable rates of interest, &c. As it would be very difficult, if not impossible, to decide what proportion of this £139 is really paid by Government and what by the subscriber, it would probably be reasonable to share it equally and estimate the Government proportion at one-half, *viz.*, £69. This added to the £611 which Government already pay, would give a fixed pension of £680 a year to be paid by Government, or, say, £700 in round numbers. There is little doubt that every one would be willing to accept this fixed pension on being freed from all contributions to a pension fund; for at present not only is the subscriber mulcted of contributions to the very end of his service, but if he happens to die before he retires, he gets absolutely nothing in return for the large amount so contributed, which would, if invested in a life assurance, have produced a handsome annuity for his wife or children. Starting then with the assumption that £700 a year is the normal pension to be given by Government to a Civilian after 25 years' service and 21 years' residence, we can soon work out what the smaller pensions to be given for shorter terms of service (on medical certificate) ought to be, and what increase in the pensions (if such be allowed) for longer terms of service or residence should be given in order to maintain the same proportion. And it may be added that the pensions should be graduated according to the amount of *actual* residence or service in India, and not according to the *total* amount of service including furlough, as the former is the best test of the value of the services rendered to Government. If then we take £700 a year as the normal pension for 21 years' actual residence, we find

that it falls at the rate of £33 $\frac{1}{3}$ a year for each year of residence ; and, after 15 years' residence has been completed, pensions should be given at this rate, provided the necessity for retirement was proved by a medical certificate. The first pension obtainable without a medical certificate would be the full one of £700 at 21 years' residence ; and after that they might increase by the same rate (£33 $\frac{1}{3}$ a year) up to £800 for 24 years' actual residence, but only to approved officers who might be selected by the Government of India as having rendered good service : other officers would have to retire at the end of 21 years' actual residence on a pension of £700 a year. Approved officers might go on serving till 24 years' actual residence on an increasing pension up to £800 a year, and after that they might serve on, if permitted by the Government of India, till 30 years' actual residence or 35 years' total service (as at present), but they would get no increase to their pension after 24 years' actual residence. The line is drawn at that point because it is only exceptional men perhaps who are really at their best after that time, and therefore no one should be tempted to stay on beyond it by an increasing pension, although power may well be given to the Government of India to allow an exceptionally vigorous or efficient officer to stay on till 30 years' actual residence. We have lately had some cases where extensions of service have been granted out of consideration for individuals who had previously done undoubtedly good service, but who were then worn out and effete. Such extensions should be most jealously watched, if they are not absolutely prohibited, for they are generally contrary to the true interests of Government, and often inflict serious injury on those whose promotion is stopped.

If these proposals were carried out, the Indian Civilian, instead of earning only a fluctuating pension varying in the inverse ratio of the length and merit of his services, would be entitled to a fixed pension, gradually increasing

from 15 to 24 years' actual residence, though any abuse would be guarded against by the provision that the pensions below 21 years' residence would only be given on medical certificate, and that the increased pensions above 21 years' residence would be granted only to selected officers. In the English Civil Service pensions are given at so many sixtieths of a man's pay because he is supposed to retire at the age of 60, although he can stay on til. 65, if pronounced fit. Thus, if a man has rendered 30 years' service he obtains $\frac{30}{60}$ of his average pay of the last five years, *i.e.*, half pay ; but if he has put in only 25 years' service, he draws only $\frac{25}{60}$ or $\frac{5}{12}$ of his pay as pension. It is necessary, in a service like the English, where salaries vary from the tide-waiter on £50 a year to the Prime Minister on £5,000, to proportion the pensions to the salaries received ; but in a service like the Indian Civil Service, where the duties performed by the members are all of one class and only differ in degree, while their retiring salaries vary in the immense majority of cases only between £2,500 and £4,000 a year, it would not seem to be necessary to make the pensions vary with the ultimate salaries reached. A variable scale of pensions is an evil in itself, and should only be permitted where the salaries differ in amount so greatly that they must be taken into consideration. This is the case in the English Civil Service and in the Uncovenanted Service out here ; but in the Indian Civil Service no such reason exists, and we are persuaded that a graduated scale of fixed pensions, such as has been advocated above, is what is really required for this service, and that its introduction would remove a large amount of discontent, which is now felt as the obvious injustice of the existing rules.

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